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Foreign CROPS AND MARKETS



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COTTON (Page 99)

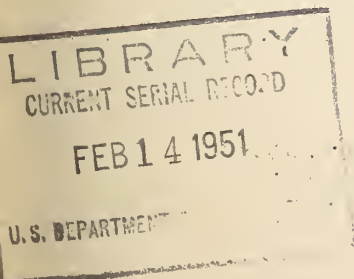
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FOR RELEASE

MONDAY

JANUARY 29, 1951



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D. C.

L A T E N E W S

Argentine's 1950 flaxseed production is now estimated unofficially at 24.6 million bushels, according to C. A. Boonstra, Agricultural Attache, American Embassy, Buenos Aires. This is a sharp reduction from a previous estimate of 30 million bushels (see Foreign Crops and Markets of January 15, 1951). Stocks of linseed oil as of January 1, 1951, are estimated at 220,000 short tons, and are no longer considered burdensome. Stocks a year earlier were estimated at 330,000 tons. Availabilities for export in 1951 will not exceed the volume exported in 1950 when 144,000 tons of flaxseed and 237,000 tons of linseed oil were exported. Argentine sunflower seed production in 1951 may reach 1,210,000 short tons, according to unofficial estimates. This would be slightly more than the record output of nearly 1,200,000 tons of two years ago. Production last year has been estimated officially at about 700,000 tons. Stocks are small at present, and sufficient mainly for current domestic requirements. They will be negligible at the beginning of the next crushing year on April 1 in contrast with 110,000 tons on that same date in 1950. This volume permitted exports totaling about 103,000 tons in January-November of last year. (Next week's issue of Foreign Crops and Markets will present more details.)

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Cotton consumption in Canada was reported at 44,161 bales (500 pounds gross weight) in November and 39,665 bales in December. August-through-December consumption totaled 194,075 bales or 34,054 bales above the same period last season. Imports of Mexican cotton dropped to 746 bales in November and United States cotton increased to 50,542 bales in the same month.

(Continued on Page 117)

FOREIGN CROPS AND MARKETS

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WORLD COTTON PRODUCTION ESTIMATE REVISED SLIGHTLY UPWARD

World cotton production in 1950-51 is now estimated by the Office of Foreign Agricultural Relations at 27,350,000 bales (of 500 pounds gross weight) compared with an earlier estimate of 26,925,000 and a slightly revised 1949-50 estimate of 31,275,000 bales. The upward revision of the 1950-51 world estimate by 425,000 bales, however, will not be reflected in larger supplies available for sale on world markets in 1950-51.

An increase of 250,000 bales above that indicated in the last previous report is estimated for production in the Soviet Union where limited exports are available only to the countries of Eastern Europe. Most of this trade is in exchange for portions of the cotton yarn and goods derived from Soviet cotton. The 200,000-bale increase in China's estimate will be entirely absorbed by the domestic textile industry as is the case in India where the 1950-51 crop estimate is revised upward by 50,000 bales.

Upward revisions of 50,000 bales in Turkey, 30,000 in Syria, 150,000 in Argentina, 70,000 in Mexico, 25,000 in the Anglo-Egyptian Sudan, and 10,000 in Nigeria probably will be reflected almost entirely in equivalent increases in exportable surpluses above those expected earlier. These increases, however, are more than offset by downward revisions of 270,000 bales in the estimate for the crop in Egypt, 100,000 in Brazil, and 25,000 in Uganda, all of which are exporting countries.

World production in 1950-51 is about 4 million bales less than estimated world consumption and should result in a comparable reduction in world stocks before the next crop becomes available. Rising world consumption of cotton and the deficiency of world production this year have combined to stimulate a rise in cotton prices to record levels, especially in foreign exporting countries. High prices are expected to result in further sharp increases in planted area for the 1951-52 crops in Mexico, Turkey, and many minor producing areas. Only moderate increases are expected in most of the major producing countries (Egypt, India, Pakistan, Brazil, Peru, and colonial areas in Africa) because of the necessity of maintaining food production programs.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. It is based in part upon U.S. Foreign Service reports.

(See accompanying table on following pages)

COTTON: Acreage and production in specified areas,
averages 1935-39 and 1940-44, annual 1948-50 1/

Continent and country	Acreage			Production 2/		
	Year beginning August 1			Year beginning August 1		
	Averages	1948	1949 3/	Averages	1948	1949 3/
	1935-39	1940-44	1950 3/	1935-39	1940-44	1950 3/
NORTH AMERICA						
El Salvador.....	9:	23:	38:	50:	12:	30:
Guatemala.....	-	7:	8:	9:	3:	6:
Mexico.....	725:	855:	1,446:	334:	425:	920:
Nicaragua.....	9:	7:	37:	50:	5:	20:
United States.....	27,788:	21,992:	27,230:	17,850:	11,957:	16,128:
British West Indies.....	20:	20:	16:	5:	5:	5:
Haiti.....	-	40:	40:	22:	13:	8:
Total 4/.....	28,642:	22,960:	28,820:	19,820:	12,421:	17,118:
EUROPE						
Bulgaria 5/.....	85:	61:	-	35:	17:	-
Greece.....	168:	101:	142:	190:	27:	72:
Italy.....	56:	106:	43:	21:	27:	10:
Rumania 5/.....	8:	63:	-	2:	11:	-
Spain.....	46:	96:	135:	10:	17:	12:
Yugoslavia.....	8:	15:	-	3:	4:	-
Total 4/.....	372:	443:	601:	574:	103:	161:
U.S.S.R. (Europe and Asia).....	5,087:	3,911:	4,550:	5,600:	2,080:	2,700:
ASIA						
Cyprus.....	11:	6:	6:	9:	1:	2:
Iran.....	453:	384:	259:	300:	105:	92:
Iraq.....	53:	73:	15:	79:	10:	2:
Syria.....	85:	48:	-	28:	15:	28:
Turkey.....	667:	736:	890:	1,059:	241:	308:
Afghanistan.....	-	-	-	49:	23:	20:
Burma.....	428:	364:	153:	97:	80:	35:
China (incl. Manchuria).....	7,038:	5,849:	5,300:	2,855:	2,012:	1,700:
French Indochina.....	36:	-	-	6:	7:	1:
Japan.....	2:	7:	12:	1:	1:	2:
India.....	24,204:6/	20,518:	11,793:	14,000:6/	4,853:	2,350:
Korea 1/.....	564:	776:	330:	198:	196:	81:
Indonesia.....	27:	24:	-	9:	10:	5:
Pakistan.....	6/	6/	2,862:	6/	6/	832:
Philippine Islands.....	5:	15:	3:	1:	3:	1:
Siam.....	16:	80:	75:	7:	29:	28:
Total 4/.....	33,805:	29,100:	21,985:	26,675:	7,593:	5,509:
						5,912:
						7,230:

SOUTH AMERICA									
Argentina.....	770:	826:	1,150:	1,141:	1,400:	289:	398:	450:	640:
Brazil.....	5,562:	5,812:	4,100:	4,500:	4,700:	1,956:	2,169:	1,500:	1,300:
Colombia.....	98:	99:	-:	-:	-:	23:	22:	28:	40:
Ecuador.....	40:	38:	-:	-:	-:	13:	9:	12:	9:
Paraguay.....	111:	116:	131:	161:	160:	40:	42:	45:	62:
Peru.....	428:	353:	370:	380:	-:	379:	311:	268:	350:
Venezuela.....	50:	53:	-:	-:	-:	11:	15:	13:	6:
Total 4/.....	7,060:	7,299:	5,993:	6,420:	6,848:	2,711:	2,966:	2,318:	2,409:
AFRICA AND OCEANIA									
Anglo-Egyptian Sudan.....	439:	363:	402:	430:	-:	248:	253:	256:	294:
Belgian Congo.....	874:	923:	741:	740:	750:	172:	182:	220:	220:
Kenya.....	-:	-:	43:	50:	50:	13:	21:	8:	7:
Nyasaland.....	84:	56:	-:	-:	-:	12:	7:	10:	6:
Tanganyika.....	-:	-:	-:	-:	-:	50:	45:	42:	43:
Uganda.....	1,477:	1,152:	1,555:	1,629:	1,550:	281:	198:	327:	283:
Canary Islands.....	-:	-:	-:	-:	5:	-:	-:	-:	1:
Egypt.....	1,821:	1,162:	1,496:	1,756:	2,050:	1,893:	1,243:	1,836:	1,796:
French Equatorial Africa.....	390:	583:	-:	600:	700:	41:	87:	107:	120:
French Morocco.....	1:	5:	2:8/	4:8/	15:	9/	2:	1:8/	2:8/
French West Africa.....	-:	-:	-:	-:	-:	28:	20:	16:	15:
Mozambique.....	-:	497:	634:	756:	-:	33:	93:	125:	92:
Nigeria.....	-:	-:	-:	-:	-:	36:	30:	60:	60:
Angola.....	73:	-:	-:	-:	-:	13:	24:	20:	28:
Southern Rhodesia.....	2:	5:	4:	-:	-:	9/	1:	1:	-:
Union of South Africa.....	-:	-:	8:	30:	60:	2:	1:	4:	5:
Australia.....	53:	35:	2:	4:	6:	11:	7:	1:	1:
Total 4/.....	6,176:	5,642:	6,320:	6,810:	7,173:	2,840:	2,219:	3,040:	2,980:
World total 4/.....	81,142:	69,355:	62,930:	69,190:	66,690:	31,689:	27,382:	29,130:	31,275:

1/ Production in bales of 478 pounds net prior to 1946, and 480 pounds thereafter. 2/ Years shown refer to crop years in which major portion of crop was harvested. 3/ Preliminary. 4/ Includes estimates for minor-producing countries not listed above and allowances for other figures not available. 5/ Figures for 1943 to date are not comparable with prewar figures because of boundary changes. 6/ Pakistan included with India. 7/ South Korea only after, 1941. 8/ Includes Algeria. 9/ Less than 500. 10/ Exports.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics, reports of U.S. Foreign Service officers and results of office research.

THE 1950-51 WINTER VEGETABLE SEASON IN MEXICO 1/

The area planted to winter vegetables in Mexico during the current season is smaller than in 1949-50, according to Ana M. Gomez, American Embassy, Mexico City. A decline of 26 percent is forecast for the West Coast, the leading producing region. In the El Mante region of Tamaulipas plantings are reported to be 50 percent lower than during the previous season.

Total exports for the current season are estimated at around 94,000 short tons of which 88 percent will come from the West Coast, 7 percent from the El Mante region of Tamaulipas, 3 percent from Lower California and 2 percent from other areas. Export demand since the beginning of the season has been strong and the level of prices considerably higher than last season. Quality of shipments is generally good.

The decline in plantings on the West Coast is attributed chiefly to the unfavorable situation faced by growers during the past 2 seasons; in 1948-49, floods and frosts caused severe damage to the crops and in 1949-50, growing conditions were excellent but large quantities of vegetables were unharvested as the result of weak demand in the United States. Shipments from this area for 1950-51 are forecast at 6,200 carloads consisting of 5,000 carloads of tomatoes, 800 carloads of green peppers, and 400 carloads of green peas.

In the El Mante region in Tamaulipas, growing conditions have been favorable and shipments are forecast at 6,600 short tons, about half as many as were shipped in the preceding season. The bulk of the shipments consists of tomatoes.

WORLD PINEAPPLE PRODUCTION UP 3 PERCENT

The production of pineapple in important specified countries totaled 36.8 million boxes, (70 pounds fresh equivalent) in 1950 compared with 35.6 million boxes in 1949 and the 5-year, (1935-39) average of 34.8 million boxes. In such important processing areas as Hawaii and British Malaya, the processed weight was converted to the fresh equivalent on the basis of 1 pound of processed equals 1.709 pounds fresh.

In the Western Hemisphere production in Mexico and Brazil in 1950 was up sharply over 1949, but it was down somewhat in Cuba and Puerto Rico. In Hawaii, by far the largest pineapple producing area in the world, production in 1950 totaled 19.9 million boxes compared with 19.6 million in 1949 and 17.8 million, the prewar average. The United States proper produces only a relatively small amount of this fruit, but imports considerable quantities of fresh and processed products from Mexico, Cuba, Hawaii and Puerto Rico.

In the Eastern Hemisphere production in 1950 compared with 1949 increased slightly in all of the areas reporting any output. Both British Malaya and Formosa, however, have been slow to recover to their respective prewar levels.---
By Gustave Burmeister, based in part upon U.S. Foreign Service reports.

1/ A more extensive report on this subject is being released in a circular and may be obtained by writing to the Office of Foreign Agricultural Relations.

PINEAPPLE: Production in specified countries, averages 1935-39 and 1940-44, annual 1946-50

Country	Averages					1946	1947	1948	1949	1950
	1935-39	1940-44	1,000 boxes	1,000 boxes	1,000 boxes					
Mexico	1,175	1,678	1,000 boxes	3,166	1,000 boxes	3,691	1,000 boxes	3,149	1,000 boxes	4,409
United States	14	9	20	5	4	5	5	5	5	6
Cuba	2,229	2,986	5,029	5,000	5,457	4,529	4,529	4,529	2,957	2,957
Dominican Republic	300	327	207	224	134	189	189	189	190	190
Puerto Rico	734	506	618	916	1,085	1,120	1,120	1,120	1,069	1,069
British Malaya	3,306	605	1	143	178	408	408	408	825	825
Formosa	3,572	3,225	544	1,153	1,235	1,307	1,307	1,307	1,400	1,400
Philippine Islands	529	285	258	390	493	647	647	647	700	700
Brazil	4,277	3,461	2,937	2,958	3,191	3,500	3,500	3,500	4,071	4,071
Union of South Africa	200	117	239	215	387	350	350	350	350	350
Australia	664	785	621	837	860	850	850	850	900	900
Hawaiian Islands	17,816	15,122	16,522	17,737	16,613	19,579	19,579	19,579	19,878	19,878
Total	34,816	29,106	30,162	33,268	33,548	35,633	35,633	35,633	36,755	36,755

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research and other information. Production is from growth of year shown and includes pineapples produced for fresh consumption and processing.

WORLD'S 1950-51 HOPS CROP EXCEEDS PREWAR AVERAGE 1/

The 1950 production of hops in certain Northern Hemisphere countries which before the war accounted for approximately 93 percent of the world's total, is tentatively estimated at 138,000,000 pounds, according to the United States Department of Agriculture's Office of Foreign Agricultural Relations. This compares with 109,000,000 pounds produced in the same countries last season, and with their prewar (1934-38) average of 122,000,000 pounds. The countries included in these totals are the United States, United Kingdom, Germany, Czechoslovakia, France, Yugoslavia, Belgium, and Canada. The only important Northern Hemisphere producing countries not included are Russia and Poland, from which no 1950 crop information is available.

World Production of Hops, Average 1934-38, and Annual 1945 to 1950 a/

Country	: Average : 1934-38 b/	: 1947	: 1948	: 1949	: 1950
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds
<u>Northern Hemisphere</u>	:	:	:	:	:
United Kingdom.....	28,023:	32,444:	30,614:	28,023:	40,908
Czechoslovakia..... <u>c/</u>	21,462:	10,320:	10,677:	9,763: <u>d/</u>	9,921
Germany <u>e/</u>	20,033:	8,951:	10,814:	12,510:	20,723
France.....	4,936:	2,072:	3,108:	2,827:	3,673
Belgium.....	2,659:	1,900:	1,438:	1,429:	1,953
Poland.....	3,907:	<u>f/</u>	<u>f/</u>	<u>f/</u>	<u>f/</u>
Yugoslavia.....	3,977:	<u>f/</u>	<u>f/</u>	2,205: <u>g/</u>	1,543
Other Europe <u>h/</u>	296:	<u>f/</u>	<u>f/</u>	<u>f/</u>	<u>f/</u>
U.S.S.R.	2,205:	<u>f/</u>	<u>f/</u>	<u>f/</u>	<u>f/</u>
United States.....	38,977:	50,098:	49,819:	50,730:	58,288
Canada.....	1,612:	2,491:	2,130:	1,363:	1,425
Total, areas reporting :	128,087:	108,276:	108,600:	108,850:	138,434
<u>Southern Hemisphere</u>	:	:	:	:	:
Australia.....	2,304:	2,822:	1,656:	2,392:	<u>i/</u>
New Zealand.....	875:	987:	767:	929:	<u>i/</u>
Union of South Africa.....	<u>f/</u>	292:	252:	176:	<u>i/</u>
Argentina.....	<u>f/</u>	220:	99:	110:	<u>i/</u>
Total, areas reporting :	3,179:	4,321:	2,774:	3,607:	<u>i/</u>
World Total.....	131,266:	112,597:	111,393:	112,457:	-

1/ Northern Hemisphere crops harvested in the fall of the years indicated are combined with Southern Hemisphere crops harvested in the early months of the following year.

2/ International Yearbook of Agricultural Statistics, Volume I, Agricultural Production and Livestock Numbers, Food and Agriculture Organization, Rome, 1947. Prewar totals calculated for territories included in 1937 boundaries.

3/ Average for 4 years. 4/ Unofficial estimate. 5/ Since 1946, the figures apply only to West Germany, which accounts for virtually the entire crop.

6/ Not available. 7/ Estimate for Slovenia (Savinia Valley) only. 8/ Includes Austria, Hungary and Rumania. 9/ Crops not harvested until March-April 1951.

1/ A more extensive statement is available from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

While harvesting of the current season's crop is now completed in all Northern Hemisphere countries, that of the Southern Hemisphere does not take place until next March and April. Australia and New Zealand are the largest producers in that area, and small quantities are produced by the Union of South Africa and Argentina. No information on prospects for new crop hops has been received from those countries, but last season they provided an aggregate total of about 3,607,000 pounds.

The critical international situation makes it difficult to forecast with any assurance of accuracy the probable level of United States exports of hops during the 1950-51 marketing season. While there are factors that justify the belief that exports this season will be maintained at fully as high a level as last season, other considerations could just as easily justify the belief that exports may show a reduction from last year's level.

Favoring a continued high level of exports is the fact that all hops importing countries are complaining about the high prices being asked for hops from exporting countries other than the United States. Because of the definite price advantage enjoyed by American exporters, it seems reasonable to assume that countries which were able to obtain dollar exchange for the purchase of United States hops last season will be able to do so again this season. Unquestionably, United States exports of hops last season would have exceeded the level of 13.7 million pounds had it not been for the shortage of dollar exchange and the restrictions in many countries on what the available supply of dollars could be used for. One of the important changes in the world trade situation since the invasion of South Korea has been the substantial improvement in the dollar exchange position of many countries, and that improvement is expected to continue.

Also favoring a continued high level of exports is the likelihood that the international situation will prompt breweries in many countries to lay up stock piles of United States hops since they can be purchased at approximately half the price charged for European hops. In that connection, indications are that stocks in many countries are at a low level. Furthermore, with this year's combined crop in Czechoslovakia and Yugoslavia below that of 1949, which, in turn was greatly under the prewar average, the aggregate total export availability from those countries is not likely to reach the 1949-50 level. Finally, beer production and consumption is increasing in many countries, and hops from the United States have made a most favorable impression, not only price-wise but also with respect to quality and regularity as a source of supply.

These considerations, however, do not entirely overshadow certain other factors which could tend to check the upward trend in our hops exports. Included among these are the greatly increased hops crop in the United Kingdom and Germany this year, and the increased quantities that may be expected to be available for export from those countries

during 1950-51; the possibility that breweries in many foreign countries may deem it advisable to stockpile European hops, even at current high prices, as an insurance against short supplies in the event of war; and the possibility of a shortage of facilities for the transportation of United States hops should international developments require the use of available cargo space for more essential purposes.

In view of the high prices being asked for foreign hops, the large crop of excellent quality hops in the United States this year, the abundant stocks on hand, and the authorized increase in the quantities made available for sale, it does not appear likely that imports by the United States during 1950-51 will attain the 1949-50 level of 5,683,000 pounds. ---By Leo J. Schaben, based in part upon U. S. Foreign Service Reports.

COMMODITY DEVELOPMENTS

TOBACCO

LARGE PURCHASE OF TURKISH TOBACCO MADE BY U. S. COMPANY

A large U. S. tobacco manufacturing company purchased 24,250,000 pounds of leaf tobacco from the Turkish Monopoly Administration in December 1950, according to E. L. Lampson, Second Secretary, American Embassy, Ankara. The purchase reportedly involved \$14,000,000 and is heralded as a gigantic sale in view of the fact that Turkey's annual dollar earnings are \$40,000,000 to \$50,000,000. About 50 percent of the tobacco purchase was made up of 1948 and earlier leaf harvests, the remainder was from the 1949 crop. Both Aegean and Samsun tobaccos were included in the transaction.

Turkish Government stocks of exportable American-grade tobaccos are reported to now be almost depleted. However, the Monopoly Administration has about 26 to 28 million pounds of Kappa tobaccos available for sale. The Ministry of Economy and Commerce reports that private merchants still have about 22 million pounds of American-grade tobaccos from pre-1950 harvests.

Official and private tobacco circles in Turkey have been greatly encouraged by the large purchase of leaf by the United States firm as it will allow the Turkish Monopoly Administration to enter the Aegean tobacco market with practically no pre-1950 stocks of American-grade leaf, thus putting the monopoly in a position, if it so desires, to make price support purchases without fear of overstocking.

Observers indicated some disappointment in the large transaction because it did not divide the purchase between the Monopoly Administration and private merchants so that the latter would have been relieved of some of the 22 million pounds of leaf stock. However, Turkish tobacco merchants hope other United States tobacco companies will make sizeable purchases from them in the future. Turkish officials feel that this may occur because, in their opinion, the Government program of eliminating the sale of tobacco to the United States through a third country has been largely successful. It is reported by the Ministry of Economy and Commerce that 85 percent of the diversion trade (resale of tobacco exported to other countries for domestic consumption) in tobacco which existed in 1949 was eliminated in 1950. Of approximately 57 million pounds of Turkish tobacco imported into the United States in 1949 only about 60 percent was imported directly from Turkey. Most of the remainder was purchased from European middlemen.

SOUTHERN RHODESIA MAY CURB TOBACCO ACREAGE EXPANSION

Southern Rhodesia's future program for expanding tobacco acreage may be curtailed according to A. E. Gray, Consul General, American Consulate, Salisbury.

The Southern Rhodesian Minister of Agriculture was quoted as follows in a press interview in December 1950:

"If the world situation deteriorates, it is extremely doubtful whether the interests of the colony will be served by allowing any further expansion of the tobacco industry next year."

He also appealed to all farmers, especially tobacco growers to concentrate on increased production from the same acreage. Southern Rhodesia's tobacco production and acreage have expanded rapidly at the expense of food crops. Leaf production for 1949-50 was estimated at 105.9 million pounds as compared to 83.6 million pounds in 1948-49 and only 26.1 million pounds in the prewar (1935-39) period. Total acreage planted to tobacco in 1949-50 was 156,700 as compared to 128,693 acres in 1948-49 and a prewar average of 51,000 acres.

INDIA'S FLUE-CURED TOBACCO PRODUCTION HIGHER

India's 1950-51 flue-cured tobacco crop is estimated at 20 percent above 1949-50 and 12 percent above 1948-49, according to the American Embassy, New Delhi.

The country's 1950-51 flue-cured leaf production is estimated at 84 million pounds from 159,000 acres as compared to 70 million pounds from 150,000 acres in 1949-50 and 75 million pounds from 140,000 acres in 1948-49. Average yield per acre for 1950-51 is estimated at 528

pounds as compared to 466 pounds in 1949-50 and 536 pounds in 1948-49. The lower yield in 1949-50 is attributed to poor growing conditions. Of the total estimated flue-cured production of 84 million pounds the Province of Madras is expected to produce almost 83.5 million pounds from 158,200 acres, while practically all the remainder will be produced in the Provinces of Mysore and Bihar.

FATS AND OILS

NORWEGIAN WHALE OIL TO SWEDEN. IN 1951 MAY TOTAL 16,500 TONS

Norway has included in its list of commodities to be exchanged with Sweden in 1951 a quota of about 16,500 short tons of whale oil, reports Harry Conover, American Embassy, Oslo.

Provision for this quota of whale oil--of which half shall be raw, the other half hardened--was made in the terms of the Trade Agreement between Norway and Sweden. The Agreement, which provides for the exchange in calendar-year 1951 of a long list of commodities between the 2 countries, received Cabinet approval by each of the respective Governments on December 15 last, and was signed formally at Stockholm on December 19.

The agreed commodity list for Norway also included the following fat-and-oil items to be sent to Sweden: about 1,100 tons of stearin waste; 825 tons of industrial liver oil; 550 tons of light, hardened fatty acids; and 385 tons of canning oil.

The Swedish list of goods to be sent to Norway included, as it did for 1950, a very small quantity--only 55 tons--of rapeseed oil. This item is on the Norwegian free list.

The whale oil quota was one of the most important items, both quantitatively and value-wise, agreed upon between Norway and Sweden.

The total of the 1951 fat-and-oil quotas specified in Norway's list, as described above, is 19,360 tons. This is somewhat greater than the 15,345 tons provided for in last year's Norwegian-Swedish Trade Agreement (see Foreign Crops and Markets of January 30, 1950, page 95).

The commodity quotas included in the recent protocol were established in accordance with the trade agreement concluded between Norway and Sweden on April 29, 1948. There is no provision for the termination of these quotas prior to the end of 1951. There is provision, however, for the establishment of a mixed commission to supervise the implementation of the quotas established should either of the two parties so request.

JAPANESE SPERM OIL OUTPUT EXCEEDS

3,500 TONS IN 3 WEEKS

Sperm oil output from the catch of the Japanese Antarctic whaling fleet, consisting of two expeditions, during the 3-week period November 23-December 16, 1950, totaled 3,536 short tons. This was from a catch of 359 sperm whales, according to information received from General Headquarters, Supreme Commander for the Allied Powers (SCAP), Tokyo.

Both fleets surpassed their goals of taking 150 sperm whales each before the beginning of the pelagic (open sea) baleen-whale season on December 22.

The Japanese Antarctic whaling fleet is operating for the fifth consecutive postwar year under the authorization of SCAP, and for the fifth consecutive year the fleet consists of 2 expeditions headed by the factory ships, Hashidate Maru and Nisshin Maru.

The Hashidate Maru, a 12,000-ton ship, heads an expedition consisting of 5 refrigerated carriers, 1 oil tanker, 8 whale catchers, and 1 reconnaissance boat. The second factory ship, the Nisshin Maru, of some 12,900 tons, heads a slightly larger expedition. It consists of 7 refrigerated carriers, with 1 oil carrier, 8 whale catchers, and 1 reconnaissance boat. The fleet left Yokohama, Japan, by or on November 1.

Production of whale oil by Japan, which had no substantial output prior to the 1930's, reached its highest level in 1938-39 and 1939-40. In those 2 seasons output averaged about 120,000 short tons, nearly one-fourth of the world's output at that time. Its production of whale oil from the 1949-50 Antarctic pelagic catch was 29,658 tons. This was 8 percent of the total output of 351,643 tons last season.

CUBAN LARD AND TALLOW SITUATION FOURTH
QUARTER 1950, AND YEAR 1950

Cuban lard consumption in the fourth quarter of 1950, as in previous quarters, was supplied almost completely by imports from the United States, reports J.R. Johnstone, American Embassy, Havana. Consumption during October-December of lard and unrendered pork fat was up slightly from the previous quarter and probably amounted to 16,500 short tons compared with 15,000 tons during July-September.

Imports of lard and rendered pork fat of 12,645 tons during the fourth quarter were much smaller than the 22,656 tons (revised) imported during the third quarter, mainly because abnormally large imports during July and August (revised to 7,733 tons in July and 11,630 in August) had resulted in huge stocks by September 1.

Prime steam lard wholesale prices during the fourth quarter closely followed the Chicago quotations and the price trend was generally upward. In early October lard was quoted at 19.2 cents per pound, in mid-December at 24.9 cents, while in mid-January 1951 it was reported at 25.1 cents.

During the year 1950 lard consumption approximated 65,500 tons or an average of about 5,450 tons per month. This was a slight increase from the monthly average of 5,000 tons in 1949. As lard production throughout 1950 was negligible, imports of 70,300 tons, principally from the United States, covered domestic consumption demands and allowed for stocks of an estimated 7,500 tons on January 1, 1951. Import requirements during the first quarter of the present year are expected to be from 16,500 to 18,000 tons.

Inedible tallow and grease production for the October-December period of 1950 have been estimated by the trade at 1,750 to 2,000 tons. Local soap factories, the principal users of inedible tallow, supplemented local supplies with imports of 3,060 tons from the United States. These imports were at a reduced rate in comparison to the third quarter imports of 4,820 tons (revised). The reduced availabilities of tallow in the United States doubtless had some effect upon the volume of imports by Cuba.

The high prices for inedible tallow which prevailed at the end of September continued into the fourth quarter. Local soap factories at the end of December were paying 15 cents per pound for domestic inedible tallow and 19.5 cents for top-grade U.S. inedible tallow, delivered to factories. The lower price for the local product made it much in demand, which was expected to equalize the 2 prices soon.

Inedible tallow and grease production for the year 1950 is estimated at about 6,700 tons. Imports of 14,740 tons during the year were at approximately the same level as the previous year. Consumption by local soap factories totaled 20,500 tons in 1950.

Domestic tallow production during the first quarter of 1951 may fall somewhat short of the fourth quarter 1950. Assuming this to be the case, import requirements during the current quarter may be from 3,500 to 4,000 tons.

ISRAEL REPORTS OILSEED IMPORT REQUIREMENTS

Israel's import requirements of oilseeds for the year beginning August 1, 1950, are reported by O.L. Troxel, Jr. and J. H. Levien, American Embassy, Tel Aviv, at almost 200,000 short tons. This volume, plus the expected local production of 4,000 tons should allow a monthly distribution of 1 kilogram (2.2 pounds) of edible fats and oils.

Imports for the year beginning August 1, 1949, consisted of 33,900 tons of cottonseed, 9,300 tons of copra, 3,400 tons of sesame seed, 3,300 tons of peanuts, 2,200 tons of sunflower seed, and about 5,300 tons of edible oils. With an additional 3,000 tons of seed from local production the average monthly ration of edible oils and fats was 1.083 kilograms (2.4 pounds).

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NOTE: (See Late News on Page 98 for latest estimates of Argentine production of flaxseed and sunflower seed.

FINLAND CONTINUES RATIONING OF MARGARINE

Margarine was one of only 3 food items (sugar and coffee being the others) which were subject to regular rationing in Finland in the 1949 and 1950 crop years, according to W. Barnes, American Legation, Helsinki. A remarkable increase in domestic production of field crops occurred in Finland in 1948, 1949, and 1950, with the result that rationing was discontinued in 1949, except for the foregoing items.

Margarine rationing was continued because margarine production in Finland is entirely dependent upon imported oils. The monthly ration in 1950 was 0.5 kilograms (1.1 pounds) of margarine (or imported lard, if available).

Margarine production in 1949 amounted to 14,900 short tons and in 1950 to 17,400 tons.

NORWAY'S CONSUMPTION OF VEGETABLE OILSEEDS AND OILS DOWN FROM PREWAR

Norway's consumption of vegetable oilseeds and oils that are used primarily for the manufacture of edible products is down considerably from prewar years, reports Einar Jensen, Agricultural Attache, and T. Moltke-Hansen of the American Embassy, Oslo. Consumption of oilseeds and vegetable oils in Norway equals imports because Norway's supply is entirely dependent upon imports and there are no exports of these commodities.

The reduction in imports has occurred because methods have been found to substitute whale oil for vegetable oils in margarine production to a much greater extent than in prewar years. Thus Norwegian requirements for vegetable oils have decreased considerably, in spite of the fact that margarine production has increased to a level well above prewar. Prior to the war, in order to obtain a satisfactory product, 60 percent of the oils utilized in margarine production had to be vegetable oils. In postwar years, the content of vegetable oils has been reduced to 30 percent.

The price of whale oil for Norwegian consumption has been established by the Government at special low levels in postwar years. The Government has requested Norwegian whaling companies to make available each year, at prices much below export prices, sufficient quantities of whale oil to cover Norwegian requirements.

Imports of copra during 1950 were expected to have reached approximately 25,000 short tons or about 60 percent of the prewar volume. It was estimated that 1950 peanut imports would total over 8,000 tons or slightly more than the 1936-38 average. Imports of soybeans in 1950 are estimated at about 21,000 tons or 78 percent of prewar. Flaxseed imports in 1950 also are estimated at 21,000 tons--against the 1936-38 average of 24,500.

LIVESTOCK AND ANIMAL PRODUCTSPLAN PROPOSED FOR REMOVING EXPORT
CONTROLS ON NETHERLANDS BACON

The Netherlands contract with the United Kingdom for 1951 calls for a minimum of 35,000 metric tons (77 million pounds) of bacon to be exported by the former country to the latter. To this figure should be added 5,000 metric tons (11 million pounds) which the Netherlands did not deliver under the terms of the 1950 contract, which called for a minimum of 25,000 metric tons (55 million pounds). In order to export the minimum, 800,000 pigs must be available; and it is estimated that domestic consumption and the packing industries will require at least 2,000,000 hogs. Total 1951 production requirements will therefore amount to approximately 2,800,000 pigs.

On the basis of the present census figures, a total of 2,700,000 slaughter hogs will be available during 1951. Excluding possible demands for Netherlands pork from foreign markets other than the United Kingdom, it seems apparent that, if the contracted minimum of bacon is exported, a shortage of 100,000 hogs will result for domestic consumers and packers.

Netherlands meat exporters, whose exports to Germany were almost completely stopped in the second half of 1950, conferred recently with the Netherlands Ministry of Agriculture. The Ministry expressed disapproval of the present Netherlands system of curtailing exports through the imposition of levies and pointed out the principal aims of Dutch export policy are to maintain a steady domestic price level; to fulfill the bacon contract with the United Kingdom, and to keep at a fairly high level Netherlands exports of processed meats - particularly to the United States - as this market is a valuable source for hard currency badly needed by the Netherlands.

The Ministry therefore set forth a proposal which will permit Netherlands exports of pork and other meats to foreign markets other than the United States and United Kingdom, only if equal or larger quantities of the same items are imported.

CUBA AUTHORIZES EXPORT
OF 500 CATTLE

The Cuban Government, in a recent Resolution, authorized the exportation of 500 head of cattle, provided shipment is made prior to February 1, 1951. Of the total 500 head, 200 head must be dairy breeding stock composed of not less than 50 percent of the following breeds: Holstein-Friesian, Guernsey, Jersey, or Brown Swiss. The remaining 300 head must be beef breeding stock composed of not less than 50 percent of the following breeds: Cebu, Aberdeen-Angus, Shorthorn, or Charolais.

These exports are permitted in an effort to develop export markets and to encourage improved cattle breeding.

Exportation will be controlled by the Cuban Ministry of Agriculture. Each animal to be exported must be accompanied by a veterinarian's certificate to the effect that the animal is free from brucellosis, tuberculosis, and external parasites.

MEXICO INCREASES DRIED MILK IMPORT DUTY

The Mexican Government has announced an increase in the import duty on dried milk in powder or tablet form effective January 19. All tariff agreements between Mexico and the United States expired December 31, 1950.

The new duty was increased relatively less for shipments in packages larger than approximately 11 pounds each, which is the category under which most of the imports are classified. The extremely high rate to be effective for smaller consumer packages will make it necessary to repackage bulk shipments or leave this market for domestic production. Though the Mexican currency has been devaluated in terms of the United States dollar since the old tariff became effective, the new rates have much more than offset that temporary advantage to exporters.

The imports of dry nonfat milk have totaled about 5 million pounds annually during the last 2 years and dried whole milk imports have been approximately 2 million pounds in each of these years. These imports which supplied the largest portion of consumption have been largely from the United States. This trade has been strengthened in the last few months due to the special export program announced by the Commodity Credit Corporation offering dried nonfat milk at $9\frac{1}{2}$ cents, at the port nearest the origin of stocks, to the countries of the Western Hemisphere except Canada and colonial possessions of foreign countries, and territories and possessions of the United States. A comparison of new and old tariff rates on the imports of dried milk into Mexico is given in the table on the following page.

Mexico: Import duties on dried milk, effective January 19, 1951,
with comparison

Item	Specific Duty	Ad valorem Rate 1/			Total duty 2/		
		less than 3 percent butterfat	over 3 percent butterfat	Cents per legal Kilo 3/	less than 3 percent butterfat	over 3 percent butterfat	Cents per legal Kilo 3/
<u>Milk powdered or in tablets</u>							
<u>Package containing less than 5 legal Kilos 3/</u>							
Rate until 1-18-51	1.16	5.8	12.5	Cents per legal Kilo 3/	6.96	13.66	
Rate after 1-18-51	4.62	24.0	52.0		28.62	56.62	
<u>Package containing over 5 legal Kilos 3/</u>							
Rate until 1-18-51	1.73	3.5	6.6	Cents per legal Kilo 3/	5.23	8.33	
Rate after 1-18-51	4.62	8.8	16.5		13.42	21.12	

1/ The ad valorem rate is based upon the legal official valuations which are approximately 94 cents per legal Kilo for less than 3 percent butter in packages less than 5 legal Kilos, \$2.08 per legal Kilo for over 3 percent butterfat in packages less than 5 legal Kilos, 35.25 cents per legal Kilo for less than 3% butterfat in packages over 5 legal Kilos, 65.89 cents per legal Kilo for over 3 percent butterfat in packages over 5 legal Kilos.

2/ In addition to these duties a 3 percent surtax is required.

3/ Legal Kilo equals 2.2046 pounds, including the weight of the immediate container.

**CUBAN TAX LIMITS
CHICK IMPORTS**

Cuban customs officials on January 2, 1951, commenced the enforcement of Public Law No. 6 (Official Gazette No. 129, June 4, 1949) which includes provisions for a tax of 5 cents per head on all livestock imported into or exported by Cuba. The application of this law to low unit cost stock such as baby chicks has already seriously limited the prospects for imports.

Money collected from this tax is put into a fund for veterinarian retirement. Pressure to enforce this law, which was passed one year and a half ago, is reportedly from veterinarians. Cuban importers of poultry feed are also concerned, as most of their sales are to local raisers of imported chicks.

GRAINS, GRAIN PRODUCTS AND FEEDS**MEXICO'S CORN
ESTIMATE REDUCED**

The 1950 corn crop in Mexico suffered some drought damage in late summer, and is now estimated at about 105 million bushels. This is about 10 percent below earlier forecasts, which indicated that the harvest was expected to set a record. (See Foreign Crops and Markets, September 5, 1950). The acreage is now estimated at 9.6 million acres, a record area. Yields from that acreage would be above those of last year and above average, though not up to the high yields of 1948.

The first reports of drought were from the west coast, in August, followed by indications that expected high yields were not materializing, because of extended dryness in the important producing Central Plateau area. Corn harvest dates extend from July through December, but the greater part of the production comes on the market during the last quarter of the year.

Prices of corn, an important food in Mexico, rose sharply in most parts of the country, as it became apparent that the expected high yields would not be harvested. Average wholesale prices vary widely in different parts of the country with a spread of as much as 75 percent between average prices in Guadalajara (the low point) and the high prices in Mexicali. Increases of from 25 percent to 45 percent were reported in prices in various localities between July and October. A recent report indicates that prices of articles of prime necessity have now been frozen, by Federal decree.

As a result of higher prices and scarcity of corn in some districts, the acreage planted to corn in 1951 is expected to show a small increase over the large 1950 area.

COTTON AND OTHER FIBER**COTTON-PRICE QUOTATIONS
ON WORLD MARKETS**

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U.S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date 1951	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound	
					Spot quo- tation	Export and inter- mediate taxes
Alexandria		:Kantar	:	:	:	:
Ashmouni	1-25	: 99.05 lbs.	:Tallari	: 140.70	: 81.54	: 10.42
Ashmouni, FGF.....	"	: "	: "	: 123.70	: 71.69	: 10.42
Karnak, Good.....	"	: "	: "	: 168.25	: 97.50	: 10.42
Karnak, FGF.....	"	: "	: "	: 157.25	: 91.13	: 10.42
Bombay		:Candy	:	:	:	:
Jarila, Fine.....	"	: 784 lbs.	:Rupee	: 1/2/770.00	: 20.50	: 21.30
Broach Vijay, Fine....	"	: "	: "	: 1/2/840.00	: 22.36	: 21.30
Karachi		:Maund	:	:	:	:
4F Punjab, SG, Fine....	"	: 82.28 lbs.	: "	: 111.50	: 40.88	: 23.09
289F Sind, SG, Fine....	"	: "	: "	: 119.50	: 43.81	: 23.09
289F Punjab, SG, Fine..	"	: "	: "	: 125.00	: 45.83	: 23.09
Buenos Aires		:Metric ton	:	:	:	:
Type B.....	"	: 2204.6 lbs.	:Peso	: 4550.00	: 41.28	: 3.99
Lima		:Sp. quintal	:	:	:	:
Tanguis, Type 3-1/2....	1-23	: 101.4 lbs.	:Sol	: 3/ 735.00	: 48.48	: 32.71
Tanguis, Type 5.....	"	: "	: "	: (not available)	:	:
Pima, Type 1.....	"	: "	: "	: 4/ 830.00	: 54.75	: 37.77
Recife		:Arroba	:	:	:	:
Mata, Type 4.....	1-25	: 33.07 lbs.	:Cruzeiro:	: 400.00	: 65.81	: 2.4% ad
Sertao, Type 5.....	"	: "	: "	: (not available)	:	: valorem
Sertao, Type 4.....	"	: "	: "	: 430.00	: 70.74	: "
Sao Paulo		:	:	:	:	:
Sao Paulo, Type 5.....	1-24	: "	: "	: 430.00	: 70.74	: 3.0% ad
Torreón		:Sp. quintal	:	:	:	: valorem
Middling, 15/16".....	1-25	: 101.4 lbs.	:Peso	: 455.00	: 51.88	: 7.79
Houston-Galveston-New		:	:	:	:	:
Orleans av.Mid. 15/16":	"	:Pound	:Cent	: XXXXX	: 44.17	: ----

Quotations of foreign markets and taxes reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Ceiling price.

2/ Correction: Price listed as nominal last week, should be ceiling price.

3/ For May-June delivery.

4/ For July-August delivery.

FATS AND OILS

(Continued from Page 111)

**NORWAY'S HERRING OIL
PRODUCTION LARGE IN 1950**

The herring oil factories in Norway had a big year in 1950, according to Harry Conover, American Embassy, Norway. A total of 716,000 short tons of herring was delivered to the herring meal industry which resulted in an estimated output of 72,000 tons, assuming an oil yield of 10 percent. In 1948 and 1949 herring oil output was 46,000 and 29,000 tons.

The tonnage of herring received in 1950 was the largest quantity ever received by the herring meal industry in any one year.

The herring oil factories in Norway had difficulty getting deliveries of machinery and cement for expanding their capacity in time for the winter herring season. However, it was expected that the capacity of 9 factories in the Aalesund area would be expanded about 50 percent--from 3,545 short tons to 5,400 tons per day.

N O T E: Foreign Agriculture Circular FFO-1-51 entitled "Mediterranean Basin Oil Production Below Normal" and containing more detailed information than a summary article of similar title recently published in Foreign Crops and Markets, is available from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C.

L A T E N E W S

(Continued from Page 98)

Total imports from Mexico from August through November 1950 were 61,064 bales. United States imports during the same period amounted to 114,266 bales.

The Canadian Government on January 24, through an Order in Council, authorized limited importation of butter effective the same date.

U.S. Department of Agriculture
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